

WEEKLY UPDATES ON COMPANY LAW ,SEBI AND RBI

Week 32 - August 06 to August 12, 2018

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Companies Act 2013 during the week

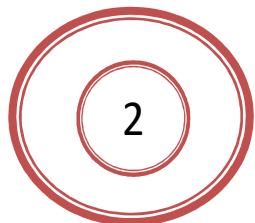
Rules - 1; Circulars - 0; Notifications – 1; Orders- 0; Important Notices - 0

S.No	Date of Issue	Rules/Circular/ Notification/order	Contents thereof	Gist thereof
1	07.08.2018	Rules	Companies (Prospectus and Allotment of Securities) Second Amendment 2018	<p>Please find herewith the broad changes made in the revised section 42 and its corresponding rules:</p> <p>(a) Deletion of requirement w.r.t. value of offer or invitation per person: The requirement of the value of offer or invitation per person of INR 20,000/- of face value of the securities has been done away with.</p> <p>(b) Usage of Share Application Money: Now a company is not permitted to utilize the share application money received by it unless (i)</p>

				<p>allotment is made; and (ii) the return of allotment, in e-form PAS – 3, is filed with the Registrar of Companies.</p> <p>(c) Reduction in time period for filing e-form PAS – 3: Now, a company is required to file the return of allotment within 15 days of allotment instead of 30 days.</p> <p>(d) Separate penal provisions for non-filing of e-form PAS – 3: Where a company defaults in filing e-form PAS – 3 within 15 days of allotment, the company, its promoters and directors shall be liable with a penalty INR 1,000/- per day but not exceeding INR 25,00,000/-.</p> <p>(e) Common private placement offer cum application form: The form PAS-4 has been revised and has a small section of application letter that needs to be filed in by the applicant. This application needs to be submitted by the applicant along with subscription money paid either by cheque, demand draft or other banking channel and not by cash.</p> <p>(f) Fresh offer prior to allotment: Earlier there was a restriction that no fresh offer or invitation</p>
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				<p>can be made unless the allotment w.r.t. any earlier offer has been completed or the offer has been withdrawn or abandoned. Now a carve out has been provided that where the number of persons to whom the offer is made does not exceed 200, the company may, at any time, make more than one issue of securities to such class of identified persons.</p> <p>(g) Restriction on rights of renunciation: The revised section specifically restricts any right of renunciation of the private placement offer that is been made by the issuer company. The earlier section and rules did not have the said restriction.</p> <p>(h) Revision of penalty amount: The penal provision has been revised from ‘the amount involved in the offer or invitation or Rupees Two Crore, whichever is higher’ to ‘the amount involved in the offer or invitation or Rupees Two Crore, whichever is lower’</p>
2	07.08.2018	Notification	Companies (Amendment) Act 2017	Section 42 of the Companies Act as amended has been notified and shall come into force.

S.No.	GENERAL IMPORTANT NOTICES	Remarks
1	Form DIR3-KYC is likely to be revised on MCA21 Company Forms Download page w.e.f 13th AUG 2018. Stakeholders are advised to check the latest version before filing.	-



SEBI during the week

Act -0; Rules -0 ; Regulations-0; General Orders – 0; Guidelines- 0;

Master Circulars-0; Circulars – 1; Press Release –1; Others - 0

S.No	Date of Issue	Act/rules/circulars..	Subject & Link	Gist thereof
1	10.08.2018	Circular No.: SEBI/HO/MIRSD/DoP/CIR/P/2018 / 119	Enhanced monitoring of Qualified Registrars to an Issue and Share Transfer Agents https://www.sebi.gov.in/legal/circulars/aug-2018/enhanced-monitoring-of-qualified-registrars-to-an-issue-and-share-transfer-agents 39945.html	SEBI has come up with enhanced monitoring mechanism for RTAs which all the RTAs have to comply with.
2	10.08.2018	Press Release	Amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandating transfer of securities in dematerialized form with a	SEBI had vide its amendment intimated that transfer of shares has to happen only in dematerialised form for listed companies have now come up with a clarification that efforts have to be taken to reach out to investors holding

			depository	physical shares and has also clarified that <ol style="list-style-type: none">1. Does not prohibit investors from holding shares even after December 05,20182. Not applicable for transmission or transpositions3. But when transfer has to take place after December 05th, of such physical shares, it has to be dematerialised and then transferred.
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RBI during the week

Notifications -0; Master Directions -0; Master Circulars - 0; Circular - 0; Press Release - 0

S.No	Date of Issue	Notifications/Master Directors/Master Circulars	Subject & Link	Gist thereof



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